

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Current Interest Items

1. Early Retirement Bill

a. Senate Consideration of Bill:

Meetings between representatives of the Legislative Counsel and staff officers of the Senate Armed Services Committee have resulted in considerable activity in this area over the past three weeks:

(1) We have consulted with the CSC Chief Actuary concerning the request that new cost estimates be provided which would be based on the same criteria as result in a \$35 billion deficit in the Civil Service Retirement Fund. We have accepted, and agree with, CSC's conclusion that this is a request which is not possible to fill. Such computations require the use of experience data which will not exist until our system has been operative for a period of time. This result has been reported to the Assistant Legislative Counsel who will confer with the Committee Staff concerning the need for us to meet with him to explain the problems involved.

We believe that our original techniques of estimating costs by applying the actuarial factor developed for the Foreign Service system and comparing this amount with a similar computation using the CSC factor is the most precise approach which is feasible at present.

b. Regulation:

Concurrences have been received from the DD/I and the DD/S&T in our draft regulation for administration of the proposed retirement system. A number of comments were received from DD/S offices and are under consideration. DD/P has notified us that a number of comments have been offered by subordinate elements in the DD/P but that DD/P comments will be withheld until [REDACTED] has reviewed the material; we hope to receive a formal DD/P response during the week of 6 July. Review in the Office of General Counsel raised some technical legal questions concerning any delegation of authority from the Director for administration of this system; based on informal discussion, we believe these can be resolved within the framework of the regulation as drafted.

2. Employee Activity Association

Our plans for the Employee Activity Association were presented to the Personnel Advisory Board on 25 June. [REDACTED] expressed reservations based on security and cover considerations. He indicated that he would discuss this matter further and advise us of the formal position of the DD/P concerning this proposal at an early date.

The Employee Activity Association has been incorporated in the State of Virginia as a non-profit organization.

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SUBJECT: Current Interest Items

3. Concurrent Fund Drive for UGF, PSAS, and Educational Aid Fund

We attended a meeting on 23 June with the Executive Director-Controller and Trustees of both PSAS and EAF to discuss holding an employee fund drive for EAF concurrently with the UGF drive next fall. It was agreed that a solicitation for EAF at the time of the UGF/PSAS appeal is desirable.

There will be a separate brochure for EAF. However, to avoid asking contributors to write three checks (UGF, PSAS, EAF), there will be a designation form for PSAS/EAF contributions so that a contributor can write a single check for both of these activities if he wishes. (This check would be payable to "Consolidated Charities" for PSAS and EAF.)

4. Hospitalization Insurance Program

The Civil Service Commission has advised us that the benefit changes which we have proposed appear acceptable but that the rate change is still under study. Our principal benefit changes were in the high option plan for obstetrical cases (from \$80 to \$100) and for room and board (from \$22 to \$25). Based on consultation with our underwriter, we proposed a premium increase to \$3.05 for self only and to \$8.49 for self and family.

The Commission has also endorsed the concept of providing an administrative allowance of 1% for use in meeting costs of administering our Association Benefit plan.

5. John F. Kennedy Memorial Library Fund

Returns in this fund drive are substantially complete. Totals as of 25 June were:

O/DCI	\$ 214.90
O/DD/I	2,054.39
O/DD/P	2,195.29
O/DD/S&T	432.90
O/DD/S	1,734.68
Total	<u>\$6,632.16</u>

We have been notified that there will be a reporting luncheon on 7 July at which agency representatives will turn over checks for the contributions received. It is planned that the Deputy Director of Personnel, who represented the Agency at the first inter-agency meeting on this campaign, will attend the lunch.

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7. IG Report on Personnel

We have read this report with much interest and believe we are in substantial agreement with most of the recommendations. Except for those items on which you have requested earlier comment, our target date for submitting our comments to you is 15 July.

8. Inquiries re Educational Assistance

We have received a number of inquiries, both direct and through Congressional channels, as a result of a recent syndicated column which reported that CIA would assist in paying the college expenses of promising students who would commit themselves to Agency employment after graduation. We have learned through OGC that [REDACTED] is attempting to pin down the columnist's source for this information. In the meantime, we have been responding to direct inquiries with the answer that we do not have such a program of financial assistance; thus far, Congressional inquiries are being handled through personal visits by the Assistant Legislative Counsel.

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9. Notice to Applicants of Polygraph Interviews

As a result of questions raised by the Moss Committee when I was instructed to appear before them, I have made a thorough review of our practices with respect to advising applicants in advance that a polygraph interview is a part of our normal investigative practice. I have found that the only applicants who are informed consistently about this procedure are the professional applicants who are called in for pre-employment medical and polygraph examinations. Other applicants are advised if they specifically inquire or, usually, if the interviewer senses or is told that the applicant has a problem which would make this a significant factor.

We have revised, and referred to the Director of Security for concurrence, our Applicant Information Sheet No. 2 which advises an applicant regarding the scope of our investigation to state specifically that this process includes a polygraph interview. We are also revising our form letters notifying applicants of their final processing that this includes a polygraph interview. (These letters now indicate that there will be a "security interview.")

Finally, I have learned that enlisted men detailed to the Agency are not informed of this procedure until they report to the interview room. I have instructed MMPD to ensure that they are advised at an earlier stage.

10. Reimbursable Detail to NSC

In response to a request made by [REDACTED] to the Executive Director-Comptroller for the detail of a clerical employee to [REDACTED] office, arrangements have been made to detail [REDACTED] GS-6, to NSC on a reimbursable basis effective 6 July. [REDACTED] was employed in OCR but had expressed a desire for reassignment. She was interviewed by the senior secretaries in [REDACTED] office prior to accepting--and being accepted for--this detail.

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Wesley D. Echols
Director of Personnel

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